Beyond the Deal: Next Generation Negotiation Skills Introduction to Special Issue

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At a recent alumni function, the conversation turned to what makes for an effective negotiator. One of the alumni in the group challenged me for being "soft"—he argued that real negotiation was about getting the best economic deal for yourself or your organization. He went on to say that a negotiator should be concerned with ensuring that no value was left in the table and this turned conversation, briefly, to factors such as anchoring and the fixed-pie bias, both of which can prevent negotiators from getting a good deal. One of my students was in the same group and interrupted to say "I got the impression from Mara that if you can't get a good economic deal *and* maintain the relationship, then you are a bit of a wimp."

For me, the comments from the two alumni reflect the "before" and "after" in how we think about negotiating. For many years, our research and our teaching focused on the deal. Working with the concepts of value claiming and value creation, we taught our students the competitive and collaborative tactics that served these goals. Although we recognized that the underlying relationship was important, relationship issues were not addressed directly.

In recent years, there has been a shift in how we think about negotiation. As we have solved the "simple" problem of crafting good deals, attention has turned to other aspects of the negotiation. Although we have long recognized that negotiations present individuals with a complex, multilayered process, until recently our focus has been only one layer of this process. Yet, in order to craft a deal, negotiators must manage at least three distinct layers: the substantive aspects of negotiation, i.e., creating and claiming value; the social processes that underpin and shape negotiators' ability to craft a deal; and the increasingly complex environment in which deals are made. To manage each of

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these layers, negotiators need to balance a mastery of substantive, deal-making skills with a mastery of complementary social and relational skills.

The shift in emphasis can be seen in concepts such as the "spirit" of the deal (Fortgang, Lax, & Sebenius, 2003). Increasingly, negotiation scholars are turning their attention to the intangible aspects of negotiation, such as trust (Beersma & De Dreu, 1999; Giebels, de Dreu, Carsten, & van de Vliert, 2003; Olekalns, Lau, & Smith, 2007; Olekalns & Smith, 2005, 2007; Schweitzer, Hershey, & Bradlow, 2006), emotion (Allred, Mallozzi, Matsui, & Raia, 1997; Brett et al., 2007; Druckman & Olekalns, 2008; Fisher & Shapiro, 2005; Friedman et al., 2004; Van Kleef, van Dijk, Steinel, Harinck, & van Beest, 2008), and reputation (Anderson & Shirako, 2008; Tinsley, O'Connor, & Sullivan, 2002). There is also a growing recognition of the changing environment in which we negotiate, which may involve unseen enemies, unidentifiable coalitions, and intractable disputes (Shapiro & Kulik, 2004). Managing these intangible aspects of negotiation requires a unique set of skills that focus on the social and relational aspects of negotiation.

Despite our recognition that these skills play an important role in deal-making, in practice capturing this next generation of negotiation skills in a classroom setting is challenging in two ways. The first challenge is to create classroom experiences that capture the essence of these intangible aspects of negotiation. The second challenge is to build these experiences from research-based knowledge about how these intangibles factors play out in negotiation. Our goal, in this special issue, is to highlight some of the classroom techniques that can introduce the intangible aspects of negotiation to our students.

In our call for papers, we identified three areas that seem ripe for further research and greater attention in the negotiating classroom. The first is the *social context* in which negotiations occur: we asked how we create a learning environment in which our students experience the consequences of reputational damage, unethical behavior, or trust violation. Reflecting the increasing interest in emotion, we also asked how we can recreate "*hot*" *negotiations* so that our students can learn to manage both their own and the other party's strong emotional reactions. Finally, we asked how the classroom can better capture the increasingly *complex negotiating environment* that results from more technology, globalization of business, and sensitivity to the environment. The articles in this issue focus on teaching negotiators to manage the social context and emotion rather than the external complexities that shape many negotiations. Our conclusion is that there is considerable scope for translating research that captures these environmental complexities into classroom exercises that will help negotiators manage the broad negotiating environment.

Hot Negotiations

Is it possible to be free of emotion when we negotiate? It seems a safe assumption that both positive and negative emotions will color our negotiations just as they shape other social interactions. Those emotions may be genuine, reflecting our reaction to the other party's offers and behaviors, or strategic and aimed at influencing the other party. In either case, it is important for negotiators to understand the impact of expressing and managing emotions. Not surprisingly, negotiation researchers have placed greater emphasis on understanding how negative emotions such as anger play out at the negotiating table. If researching emotions is challenging, effectively teaching our students to manage their own and others' emotions is even more so. Two of the papers in this issue address the question of teaching emotion. Holly Schroth's paper introduces MitiPet, a dispute between a pet food supplier and distributor. The exercise is accompanied by instructions for one party to display anger at least for the first 10 min of the negotiation. This anger display takes the other party by surprise and tests both parties' ability to manage emotion in negotiation. Even if students suspect that the other side is "faking it" (as may also be true in the real world) they cannot prevent themselves being drawn into the strong display of anger by the other party, and this provides very fertile ground for classroom discussion. In her article, Schroth reviews the current research on anger in negotiations and provides the knowledge an instructor needs to lead a sensitive discussion of when, how, and why anger does and does not produce concessions in negotiations.

Potworowski and Kopelman conceptualize emotion management as a form of negotiation expertise (NEEM). They discuss how such expertise differs from raw emotional intelligence (a trait) and suggest NEEM can be taught alongside the core teaching of negotiation strategy. For example, an instructor could begin with a simple distributive negotiation where one of the key lessons learned is the value of anchoring with the first offer. The first step of the cycle can be incorporated into the negotiation debrief by posing the following problem to students: Should you make the first offer? Why or why not? Note that by asking for justification, the ensuing discussion will naturally lead to the second part of the cycle as students activate prior knowledge, beliefs, and experiences. The instructor can then highlight the emotional component (i.e., anxiety about making the first offer) and can guide students in exploring whether they felt anxious, what cues, if any, they perceived about their counterpart's emotion, and what they did about it. Potworowski and Kopelman recognize that NEEM, especially the strategic display (or hiding) of emotion, can involve deception and make suggestions about how instructors can address this important issue in the classroom.

Complex Environments

In our call, we identified several factors that increase the complexity of the negotiating environment. It is not, however, just external factors that increase the complexity of a negotiation. From a negotiator's perspective, complexity increases with the growing recognition that negotiations are a dynamic process that need to be actively managed (Olekalns & Weingart, 2008; Watkins, 1999). This is reflected in the representation of negotiation as an improvisation in which negotiators respond to an unanticipated move by the other party and take action to redirect the process (Balachandra, Bordone, Menkel-Meadow, Ringstrom, & Sarath, 2005). To do this successfully, negotiators need to draw on their negotiation repertoire to select the appropriate strategic template or recovery routine. This increasing focus on managing process is reflected in the contributions from Adair and Gino and Moore—all of whom address the question of timing in negotiation.

Adair addresses how to teach students to manage two elements of the dynamic negotiating environments in which they may find themselves. She suggests using an experimental experiential approach in a culturally homogeneous or culturally diverse negotiation class to teach students to manage the dynamics of different stages of negotiations and different communication patterns that come with high versus low context culture. Adair gives an overview of this fundamentally important research and then describes the experimental experiential approach. She advises dividing students into groups, some of which receive instruction on how to manage (stages of negotiation; or high or low context communication) (intervention groups) and some of which receive no special instructions (natural groups). This changes the normal negotiation classroom from one in which students are testing their own implicit theories and natural instincts to one in which students are experimenting with a new approach and learning how to use it (the intervention groups) and how to respond to it (the natural groups). The method facilitates a more directed debrief session than the purely emergent debrief following a typical experiential exercise.

A second timing challenge for negotiators is to manage deadlines. Popular wisdom is that negotiators should not reveal their deadlines to the other party because they weaken their position. Gino and Moore challenge this prescription, distinguishing between time costs (which may affect only one negotiator) and final deadlines (which affect both parties). Drawing on research, Gino and Moore argue that negotiators benefit from revealing deadlines but not from revealing time costs. Whereas deadlines create mutual time pressure, time costs are likely to create asymmetric time pressure thus benefiting the party with lower costs. These researchers describe the use of StopWatch, designed to explore the effects of time pressure on negotiation. Using this negotiation enables students to learn about the counterintuitive value of disclosing your final deadline as early as possible in the negotiation.

Social Context

Finally, Schroth's second contribution addresses the question of reputational effects. The impact of reputation is evident from the first day of a negotiation class. I always start my classes by recounting the story of a particularly tough negotiator who established her reputation on the first day of class. I then received a flood of emails from students asking not to be paired with her and I conclude my story by saying "please don't be that person." Of course, because our classes center around one-shot deals, students who fail to recognize the bigger picture believe that they can be tough with no consequences in subsequent weeks. Many instructors use a reputation index to try and capture the longer-term consequences of individuals' strategy choices. Schroth's article discusses reputation indices as well as other tools for encouraging ethical behavior in our students. She focuses on the argument that social outcomes such as reputation are as important, if not more important, than economic outcomes—especially in long-term relationships. Schroth identifies the key issues that our students need to understand on the path to more ethical negotiating and then describes several exercises that stimulate students to think more closely about their values and behaviors at the negotiating table.

Summary

This special issue is a first step towards teaching our students to better understand and manage the non-economic aspects of negotiation. We believe that adding these skills to individuals' negotiating repertoires results in capable negotiators who exit negotiations with both their economic and relational interests preserved. We hope that this special issue motivates you to tackle these issues in both the classroom and your research.

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